



**Federal Election Commission  
Washington, DC 20463**

April 6, 2001

Robert D. Lenhard, Esq.  
American Federation of State, County and Municipal Employees  
1101 17<sup>th</sup> Street, N.W., Suite 1210  
Washington, D.C. 20036-5687

Re: ADR 012 (RR 00L-04)

Dear Mr. Lenhard:

Enclosed please find a signed copy of the agreement between District 1199C National Union of Hospital & Health Care Employees Political Action Fund and the Federal Election Commission (FEC/Commission) regarding ADR 012. The agreement was approved by the Commission on April 5, 2001.

I remind you that the settlement agreement, along with the exchange of correspondence, will be made part of the public record. The FEC is obligated by federal statute to put settlement agreements on the public record. 11 C.F.R. § 111.20(b) Accordingly, the appropriate portions of this file will be forwarded to the Commission's Public Information Office to be placed on the public record.

This agreement resolves the matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities regarding violations of federal election campaign laws. I appreciate your assistance in effectively resolving this matter and bringing the case to a mutually satisfactory conclusion.

Sincerely,

LS/

Lynn M. Fraser, Assistant Director  
Alternative Dispute Resolution Office  
202-694-1665

Enclosure: Agreement

21-19-025-0400



Federal Election Commission  
Washington, DC 20463

Case Number: ADR 012

Source: RR 00L-04

Case Name: District 1199C National Union of Hospital  
& Health Care Employees Political Action Fund

### NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, ("FECA") and resolve this matter, the Commission entered into negotiations with Robert Lenhard, Esq., representing District 1199C National Union of Hospital & Health Care Employees Political Action Fund ("Respondent"). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and Respondent addressed all the issues raised in this matter. The parties agreed to resolve the matter according to the following terms:

1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of the Respondent. The Commission's use of alternative dispute resolution procedures (ADR) is authorized in "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. Respondent voluntarily entered into this agreement with the Commission.
3. Respondent received a \$66,666 transfer-in from the American Federation of State County & Municipal Employees - P.E.O.P.L.E. ("AFSCME") on May 5, 1999, as disclosed on Schedule A of Respondent's 1999 Mid-Year report. Respondent deposited the funds into its federal account. Reports filed by AFSCME did not reflect a transfer from their federal account to Respondent. Respondent determined and informed the Commission that the transfer from AFSCME was intended to be a non-federal contribution, but was deposited into Respondent's federal account, as a separate account for non-federal contributions did not exist. Respondent confirmed that all of the funds deposited in Respondent's federal account consisted of voluntary contributions from AFSCME's restricted class.

Organizations that are political committees under the FECA, "which finance political activity in connection with both federal and non-federal elections . . . shall

21 "14-025" 0403

establish a separate federal account . . . and only contributions meeting the conditions set forth . . . may be deposited in a federal account." 11 C.F.R. § 102.5(a)

4. Respondent cooperated with the Commission's Analyst by establishing a separate non-federal account, and subsequently filing an amended 1999 Mid-Year report that reflected the \$66,666 transfer from AFSCME as a debt owed to Respondent's non-federal account. Respondent affirmed that the debt would be repaid when funds were available in the federal account, but would be reported as a debt until that time.
5. Respondent, in an effort to avoid similar errors in the future and resolve this matter, agreed to: (a) to attend a Commission sponsored seminar on reporting requirements no later than December 31, 2001; and (b) pay a civil penalty of \$2,000.
6. The parties agreed that if Respondent fails to comply with the terms of this settlement, the Commission may undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
7. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondent shall comply with the terms of paragraph 5(a) no later than December 31, 2001, and with paragraph 5(b) within 30 days from the effective date of this agreement.
8. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 012 (RR 00L-04), and effectively resolves this matter. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:


Allan D. Silberman, Director  
Alternative Dispute Resolution Office

By:

  
Lynn M. Fraser, Assistant Director  
Alternative Dispute Resolution Office

4/5/01  
Date Signed

FOR THE RESPONDENT:

  
Robert D. Lenhard, Esq.  
For District 1199C National Union of Hospital  
& Health Care Employees Political Action Fund

3/27/01  
Date Signed